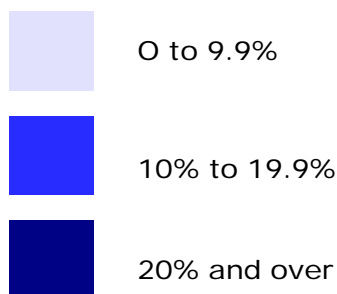
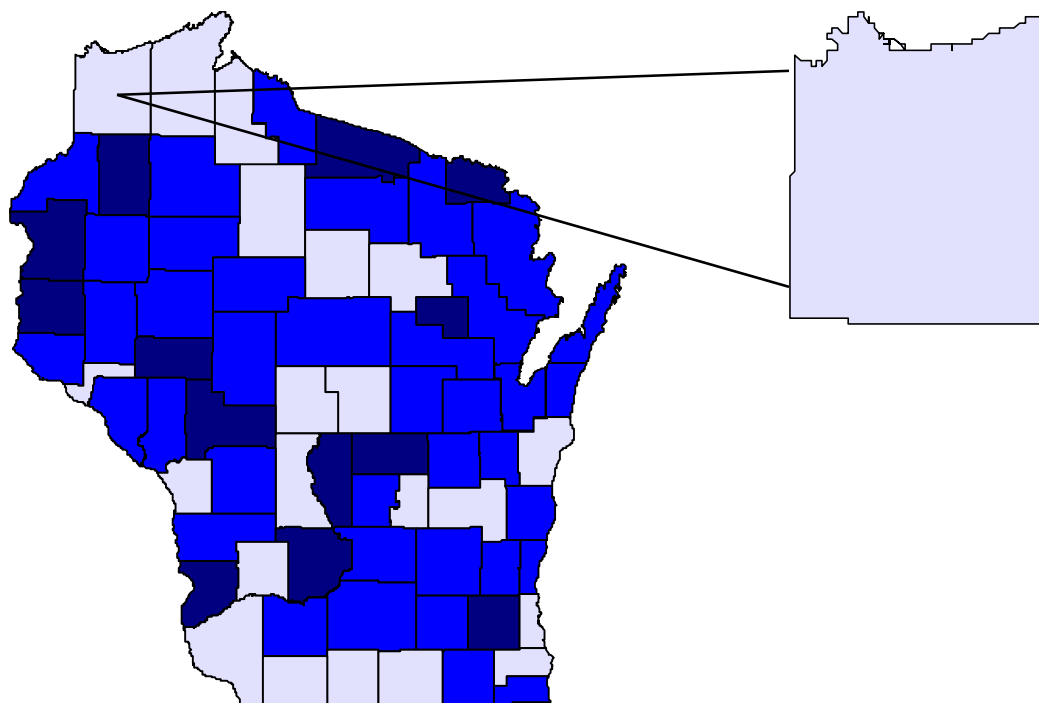


Douglas County Workforce Profile

Job Growth 1994 to 1999



**Wisconsin Department of Workforce Development
Division of Workforce Solutions
Bureau of Workforce Information
October 2001**



State of Wisconsin
Department of Workforce Development

Introduction

The County Workforce Profile has been developed by the Wisconsin Department of Workforce Development's (DWD) Bureau of Workforce Information (BWI) to provide a broad overview of Douglas County's labor market. The data included in this fourth year of publication is for 1999 to maintain consistency with the previous publications and to provide the user with a single year of reference in order to draw comparisons and form a picture of related labor force and employment information.

A variety of economic and demographic labor market information have been provided to describe the current labor market conditions in the counties and regions of Wisconsin. That information includes 1999 data on population, labor force, industries, employment, wages and income. The narrative describes how local conditions have changed over one-year and five-year intervals. Although population information is available from the 2000 census, it is not included in this publication since the period of time selected for all data sets is 1999. For more recent releases of information please consult the Wisconsin Department of Workforce Development Labor Market Information website: <http://www.dwd.state.wi.us/lmi>.

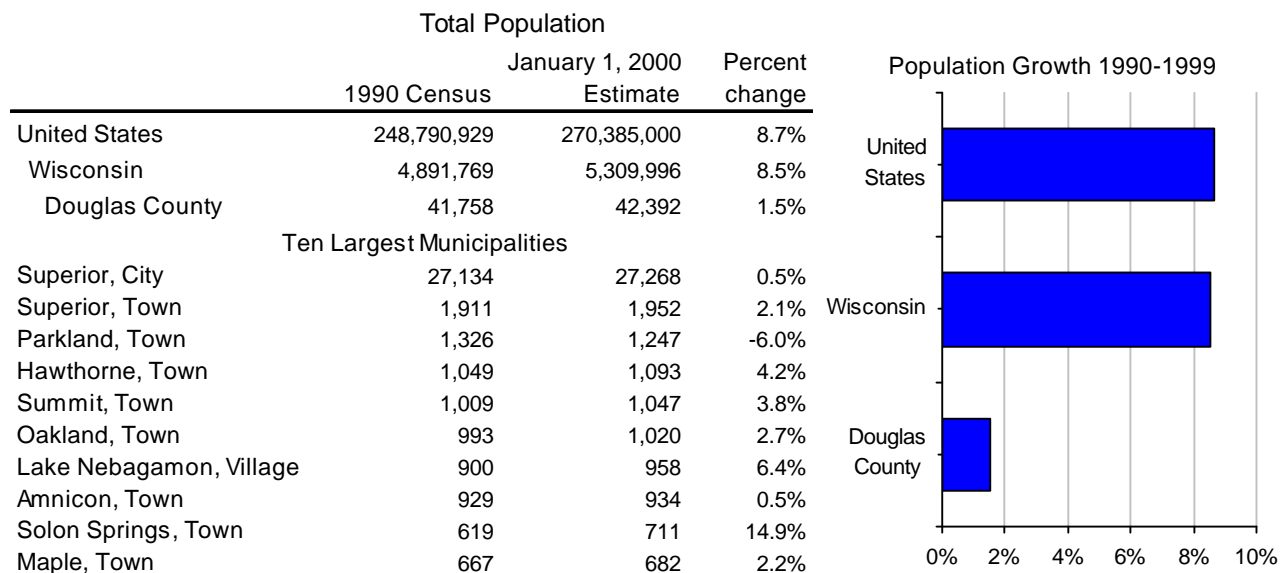
For more detailed information or clarification, please contact your local labor market analyst, Beverly Gehrke, by telephone (715-634-5289) or email (gehrkb@dwd.state.wi.us).

DWD is an equal opportunity service provider. If you need assistance to access services or material in an alternate format, please contact the analyst listed above.

Douglas County Population and Civilian Labor Force

The total population in Douglas County grew 1.5 percent from 1990 to January 2000, much less than both state and national expansion. The largest numeric increase in population occurred in the City of Superior, the county's largest municipality. Roughly 21 percent of the increase in county population since 1990 occurred there. The increase in county population was a combination of people moving into the county (253 since 1990) and natural causes (5,097 births vs. 4,716 deaths). The net migration rate of 0.6 percent is well below the state migration rate of 3.7 percent, but an increase in population from migration is something the county has not experienced for decades.

Of the 42,392 residents living in the county at the end of 1999, 33,046 (78%) were 16 years and older. Since 1990, this population segment increased by 864, while the segment aged 15 and under decreased by 230, resulting in the net county population increase of 634.

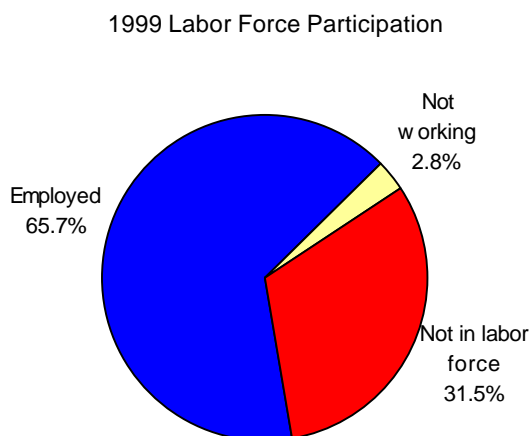


* Douglas County portion only

Source: WI Dept. of Admin., Demographic Services Center, *Official Population Estimates*, January 1, 2000

The segment of the population 16 years and older is important because the U.S. Bureau of Labor Statistics use the age of 16 as the demarcation point for entrants into the potential labor force. The labor force, by definition, includes those who are either working or looking for work, but does not include individuals who have made a choice to not work: retirees, homemakers, and students; nor does it include institutional residents, military personnel, or discouraged job seekers.

Labor force participation increases and contracts with changes in labor market conditions. For example, each spring the Douglas County labor force expands as seasonal workers enter the labor market either to begin a job or to start looking for work.



Source: Estimated from WI Dept of Administration population estimates, Jan 2000, US Census Bureau, and Local Area Unemployment Statistics

The number of residents aged 16 years and over who are in the labor market determines the labor force participation rate. In 1999, the non-institutional population 16 years and over was 32,404. Of those, 22,200 were actively participating in the labor force and the labor force participation rate was 68.5 percent. While that is an increase from 1990, it is below the state participation rate of 72.3 but higher than the national rate of 67.1 percent.

As younger residents age, interest in working and holding a job increases. Teenagers are less likely to participate in the labor force because they are in school. Residents between the ages of 25-54 share the most incentives to work and have the highest participation rates. At 55, however, workers begin to withdraw from the labor market and, by 65, most workers have retired.

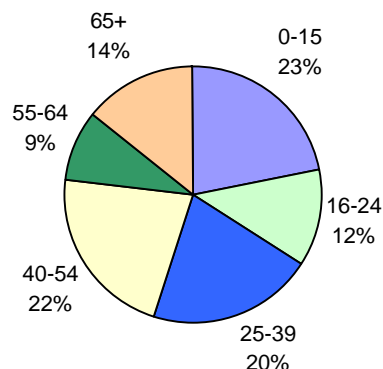
The two largest age groups in 1990 were 25-39 and 40-54 and, by 1999, they still comprised 55 percent of the labor force age population (16 years and older). Participation in the county labor force was lower than state participation, even though most of the labor supply was in the prime working age groups. This is because 30 percent of the population is over 55, a greater share than in the state, and participation from this segment is low.

The over 55 segment of the population is projected to increase to 37 percent by 2010. With so much of the future labor supply over the age of 55, labor force expansion will depend on increased participation and from individuals migrating to the county.

Douglas County Labor Force Age Population Distribution

| Age Group | Population 1990 Census | Population 1999 Estimate | Percent change |
|-----------|------------------------|--------------------------|----------------|
| 0-15 | 9,576 | 9,346 | -2.4% |
| 16-24 | 5,161 | 5,179 | 0.3% |
| 25-39 | 9,610 | 8,633 | -10.2% |
| 40-54 | 6,999 | 9,361 | 33.7% |
| 55-64 | 3,619 | 3,826 | 5.7% |
| 65+ | 6,793 | 6,047 | -11.0% |

Source: Estimated from WI Dept of Admin, Demographic Services Center, *Official Population Projections 1990-2020* and US Census Bureau



Douglas County Civilian Labor Force Data

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 |
|-------------------|--------|--------|--------|--------|--------|--------|
| Labor Force | 21,500 | 21,900 | 22,700 | 22,900 | 23,100 | 22,200 |
| Employed | 19,900 | 20,600 | 21,500 | 21,700 | 22,000 | 21,300 |
| Unemployed | 1,630 | 1,270 | 1,190 | 1,210 | 1,100 | 920 |
| Unemployment Rate | 7.6% | 5.8% | 5.2% | 5.3% | 4.8% | 4.1% |

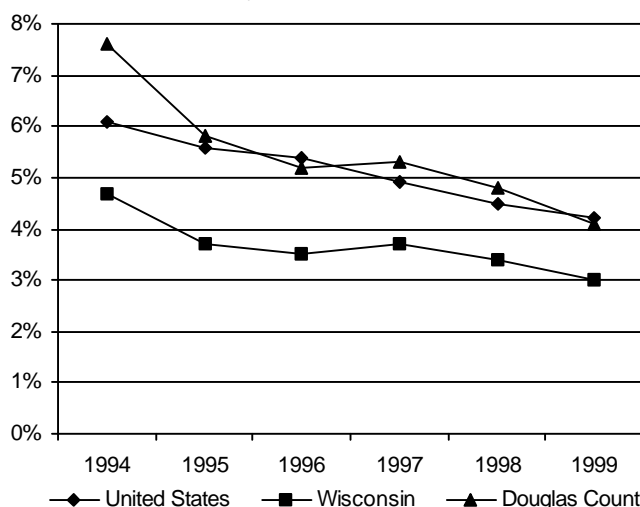
Source: WI DWD, Bureau of Workforce Information, Local Area Unemployment Statistics

The unemployment rate differs from the percent of the labor force age population not working. The unemployment rate is a percent of labor force participants (68.5% of the labor force age population in Douglas County) who are unemployed and actively looking for work. The number of unemployed in the county includes not only those who are receiving unemployment benefits, but also any resident who actively looked for a job and did not find it.

Out of a total labor force in Douglas County in 1999 of 22,200, 4.1 percent were unemployed. This is higher than the state unemployment rate of 3.0 but lower than the national rate of 4.2 percent in 1999

In spite of lower unemployment fewer residents were employed in 1999 than in the previous three years. Since total employment counts individuals (some who work more than one job) it can decline even as the number of wage and salary jobs increases. Also, the number of employed in Douglas County includes not only residents who work for employers located both in and beyond the county boundaries, but all self-employed residents and proprietors. Roughly 16 percent of the number of employed in Douglas County are

Unemployment Rate Comparison



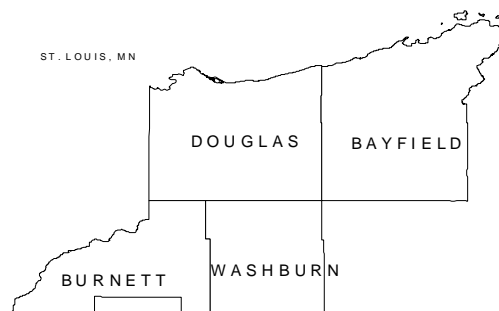
Source: WIDWD, Bureau of Workforce Information, Local Area Unemployment Statistics

either farm or nonfarm proprietors. Since 1994, total employed increased by over 1,400 and the number of proprietors increased by 377.

Douglas County Commuting Patterns

| | Commute To | Commute From | Net Commute |
|-----------------------|------------|--------------|-------------|
| Bayfield County | 101 | 245 | 144 |
| Washburn County | 137 | 56 | -81 |
| Burnett County | 43 | 25 | -18 |
| Minnesota | 3,917 | 2,609 | -1,308 |
| Elsewhere | 376 | 78 | -298 |
| Total | 4,574 | 3,053 | -1,521 |
| Commute within County | 12,739 | | |

Source: WI DWD, Bureau of Workforce Information. *Wisconsin's Commuting Patterns*, 1994.

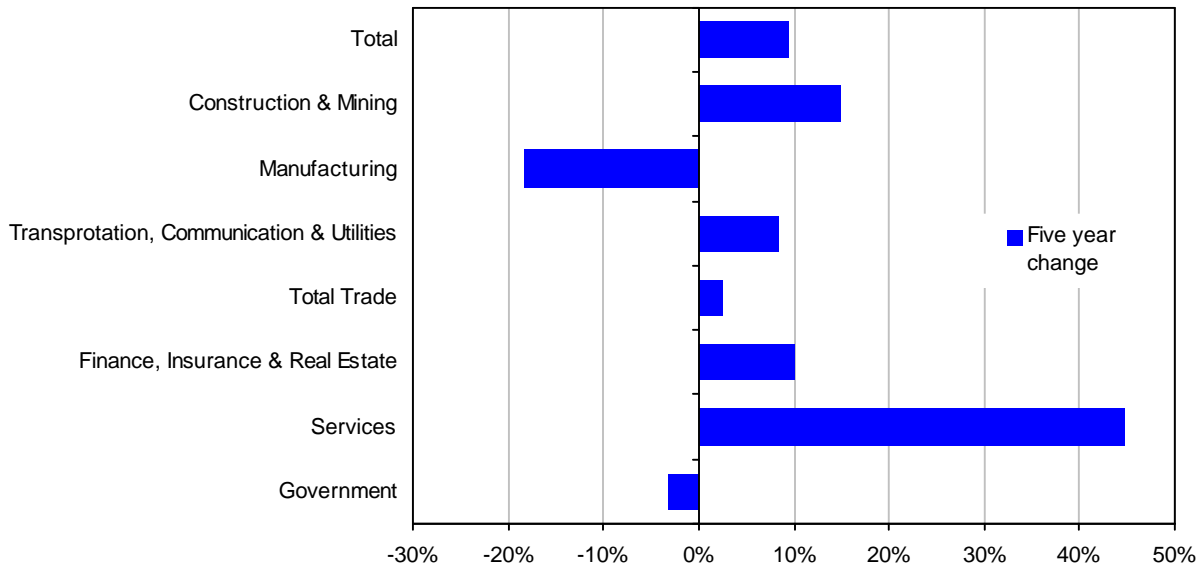


Note: Information on commuting patterns of workers is available only from decennial census data. Since 1990 the number of workers has increased and so has travel on area highways. Until the 2000 census is released, however, the only data we have remains from 1990.

The county labor force includes all employed and unemployed residents who live in the county, even though they may travel out of the county to work. In Douglas County that includes nearly 4,600 residents who commute to surrounding communities, mostly in Minnesota, for a job. The most traveled to destination is the City of Duluth, just a short drive over the St. Louis River from the City of Superior. Of the nearly 4,000 Douglas County workers who travel to Minnesota, over 90 percent of them work in Duluth.

A substantial number of workers, over 2,600, commute from Minnesota into Douglas County. Most commuters, both those commuting into the county as well as Douglas County workers, are employed in the City of Superior. Of the workers who commute within the county, two in every three work in the City of Superior which is home to the county's ten largest employers.

Douglas County Employment Change by Industry 1994 to 1999



| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | Percent change | |
|--|--------|--------|--------|--------|--------|--------|----------------|--------|
| | | | | | | | 1 year | 5 year |
| Total | 16,164 | 16,307 | 16,161 | 16,341 | 16,868 | 17,684 | 4.8% | 9.4% |
| Goods Producing | 2,498 | 2,311 | 2,202 | 2,140 | 2,279 | 2,305 | 1.2% | -7.7% |
| Construction & Mining | 793 | 646 | 653 | 713 | 863 | 912 | 5.6% | 14.9% |
| Manufacturing | 1,705 | 1,665 | 1,549 | 1,427 | 1,415 | 1,394 | -1.5% | -18.2% |
| Durable | 1,089 | 1,019 | 1,006 | 962 | 959 | 913 | -4.8% | -16.2% |
| Nondurable | 616 | 646 | 543 | 466 | 457 | 481 | 5.4% | -21.9% |
| Service Producing | 13,666 | 13,996 | 13,959 | 14,201 | 14,589 | 15,379 | 5.4% | 12.5% |
| Transportation, Communications & Utilities | 2,044 | 2,114 | 2,021 | 1,933 | 2,044 | 2,217 | 8.5% | 8.5% |
| Total Trade | 4,541 | 4,444 | 4,426 | 4,500 | 4,479 | 4,652 | 3.9% | 2.4% |
| Wholesale | 1,070 | 1,041 | 988 | 958 | 961 | 1,023 | 6.4% | -4.4% |
| Retail | 3,471 | 3,403 | 3,437 | 3,542 | 3,517 | 3,629 | 3.2% | 4.5% |
| Finance, Insurance, and Real Estate | 439 | 464 | 461 | 462 | 463 | 484 | 4.5% | 10.2% |
| Services & Misc. | 3,319 | 3,467 | 3,762 | 4,074 | 4,349 | 4,806 | 10.5% | 44.8% |
| Total Government | 3,322 | 3,507 | 3,289 | 3,233 | 3,255 | 3,220 | -1.1% | -3.1% |

Source: WIDWD, Bureau of Workforce Information, Nonfarm Wage & Salary estimates.

Note: Nonfarm wage and salary employment measures the number of jobs within a county excluding family farming, military, and proprietors. This data, often referred to as 'place of work' data, indicates the number of jobs at the work site without consideration of where the jobholder lives.

Job gains in transportation, communication and utilities and the services divisions from 1998 to 1999 produced an increase in Douglas County nonfarm wage and salary employment that exceeded state growth at the one-year interval, but were not sufficient to exceed state growth of 11.3 percent from 1994 to 1999. The slower growth in the county resulted from job reductions in manufacturing, wholesale trade and government. Compensating somewhat for these reductions was the addition of over 1,400 jobs in the services industry that nearly equals the total job gain in the county. Overall, 1,500 jobs were added by county based employers during the five-year period.

Most of the growth in services was centered on expansions of health care providers, some of whom located in building vacancies created by retail trade closures, and by telemarketing services who have expanded into the county in recent years. Because of the expansion of telemarketing employment, the business services group appears on the list of the largest industries in the county. Manufacturing employment, included in the goods producing sector of the economy, lost 300 jobs in the five-year span. The reduction is split between durable and nondurable goods production. Two plant closures (Aquila in 1996 and Old Country Foods in 1997) of nondurable goods employers contributed to the decline in share of manufacturing jobs from 11 percent in 1994 to 8 percent in 1999. The share of manufacturing employment statewide was 22 percent in 1999.

Douglas County's Largest Industries and Employers

Top 10 Industry Groups

| Industry Group | March 2000 | | Numerical Change | |
|-------------------------------------|------------|------------|------------------|---------|
| | Employers | Employment | 1 Year | 5 Years |
| Educational Services | 6 | 1,839 | 25 | 123 |
| Eating And Drinking Places | 126 | 1,463 | -14 | -168 |
| Health Services | 40 | 1,300 | -88 | 78 |
| Business Services | 33 | 1,032 | 354 | 779 |
| Trucking And Warehousing | 37 | 899 | -15 | 265 |
| Executive, Legislative, And General | 23 | 774 | -13 | -11 |
| Wholesale Trade-Nondurable Goods | 27 | 593 | 12 | -106 |
| Social Services | 27 | 527 | -23 | -109 |
| Transportation, railroads | 4 | 500 | 17 | 39 |
| General Merchandise Stores | 8 | 470 | 17 | 29 |

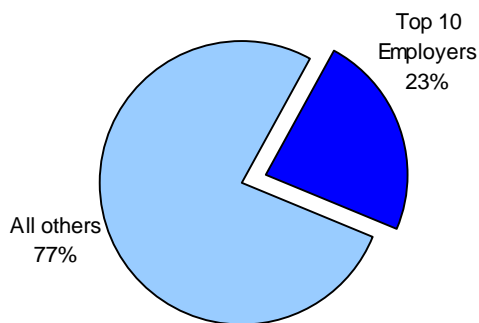
*data suppressed to maintain confidentiality

Top 10 Employers

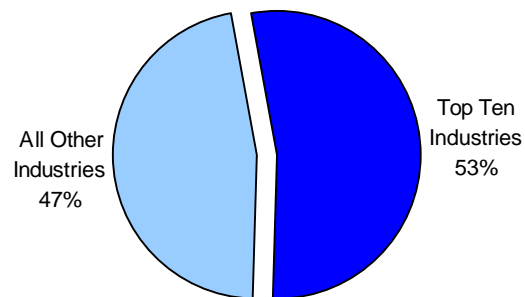
| Company | Product or Service | Size |
|----------------------------------|------------------------------------|---------|
| School District of Superior | Education | 500-999 |
| University of Wisconsin Superior | Education | 250-499 |
| Burlington Northern & Santa Fe | Transportation: railroad | 250-499 |
| T T C Illinois Inc | Transportation: motor freight | 250-499 |
| Advanced Data Comm Inc | Business services: telemarketing | 250-499 |
| City of Superior | Executive and general government | 250-499 |
| County of Douglas | Executive and general government | 250-499 |
| School District of Maple | Education | 100-249 |
| St Mary's Hospital of Superior | Health care services: hospital | 100-249 |
| Fleming Companies Inc | Wholesale trade: food distribution | 100-249 |

Source: WI DWD, Bureau of Workforce Information Bureau, ES-202 file tape, 1st quarter 1999 and LMI benchmark 2000.

Top 10 Employers Share of Nonfarm Employment



Top 10 Industry Groups Share of Nonfarm Employment

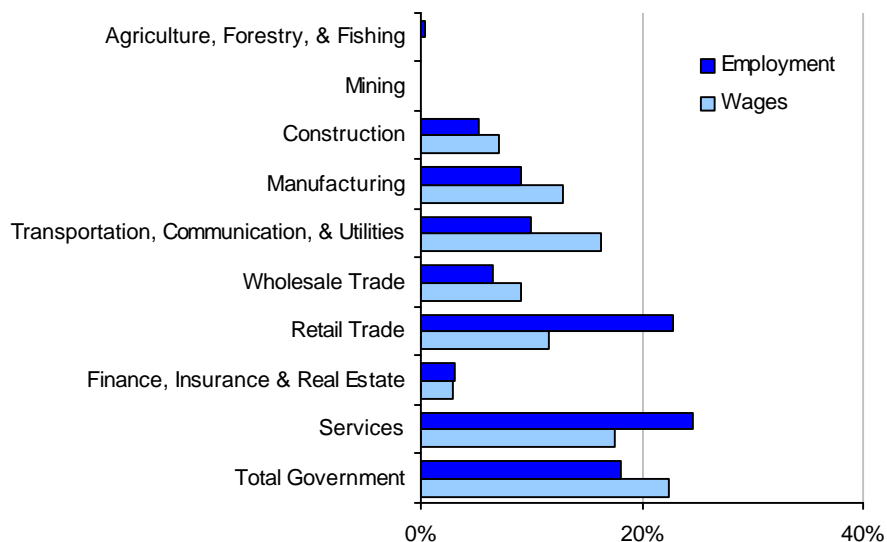


Out of 1,176 employers, the ten largest provide 20 percent of the jobs in Douglas County. The largest employer, as well as two others on the list, are from the largest industry group, education services. Education services includes both public and private institutions. Education employment is most often included with the larger government sector since most schools are funded by local taxes, but employment with private education facilities, such as Cathedral High School, is included in the services industry division. The services industry division also includes health care, social and business services on the largest industry group list; and health and business services are represented by two of the largest employers. Four of the county's top ten industry groups are from the retail and wholesale trade industry divisions: eating and drinking places, nondurable goods wholesale trade, general merchandise and miscellaneous retail stores. Since most employers in retail and wholesale trade are small, there is no representation on the employer list, but collectively they employ many workers. Douglas County is one of the few counties statewide with a transportation industry group represented on both lists. Transportation has always been an important industry in the county. Railroad employment is not included in ES-202 data, but appears here based on editing during the annual benchmark process.

Douglas County Employment and Wages 1999

| | Annual Average Wage | State Average Wage | Percent of State Average | Percent change 1 year | Percent change 5 year | Number of Workers |
|---|------------------------|-----------------------|-----------------------------|--------------------------|--------------------------|----------------------|
| All Industries | \$24,522 | \$29,609 | 82.8% | 4.3% | 18.0% | 15,649 |
| Agriculture, Forestry, & Fishing | \$14,083 | \$21,499 | 65.5% | -1.2% | 15.4% | 61 |
| Mining | * | \$39,968 | * | * | * | * |
| Construction | \$33,398 | \$36,772 | 90.8% | -6.1% | 11.3% | 817 |
| Manufacturing | \$34,816 | \$37,773 | 92.2% | 2.1% | 16.8% | 1,409 |
| Transportation, Communications, & Utilities | \$39,894 | \$34,523 | 115.6% | 17.0% | 27.6% | 1,565 |
| Wholesale Trade | \$33,680 | \$38,048 | 88.5% | 1.9% | 26.3% | 1,030 |
| Retail Trade | \$12,497 | \$15,066 | 82.9% | 3.2% | 19.1% | 3,575 |
| Finance, Insurance, & Real estate | \$23,070 | \$37,911 | 60.9% | 3.0% | 21.8% | 479 |
| Services | \$17,495 | \$26,041 | 67.2% | 3.2% | 22.1% | 3,854 |
| Total Government | \$30,219 | \$32,017 | 94.4% | 4.7% | 14.3% | 2,846 |

Total Employment and Wage Distribution by Industry Division



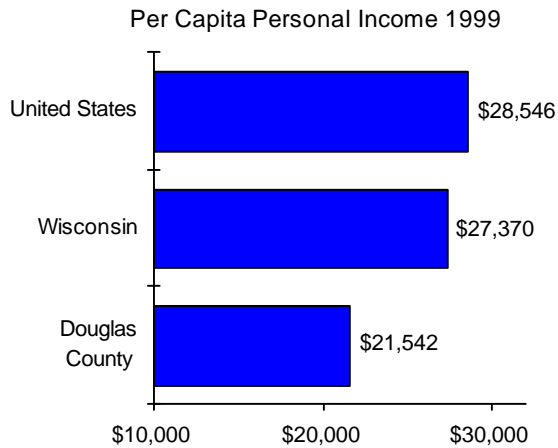
Source: WIDWD, Bureau of Workforce Information, *Employment, Wages and Taxes Due covered by Wisconsin's U.C. Law, Tables 209-211.*

Note – The data from Employment and Wages Covered by Wisconsin's Unemployment Insurance Law differs from employment data in the nonfarm wage and salary estimates because: 1) multi-location employers report all workers and wages at a single site, ie. retail franchises; 2) not all employers are covered by the unemployment insurance law and therefore are not included in this data, ie. railroads, parochial schools. This is most apparent in transportation, communication and utilities.

Typically, the industry with the most workers has the highest payroll. In Douglas County, however, government has the highest payroll of \$86,004,115 but the third highest number of workers. The second highest payroll in the county was in the services industry at \$67,426,745. However, because there were fewer workers to share a larger payroll, the annual average wage in government was much higher than in services. Retail trade has the second highest number of workers, but because many are part time and wages are low, total payroll was only \$44,675,010. Because of the importance in the county of transportation employment, the industry exceeds manufacturing in both employment and payroll and that doesn't include railroad data. Total payroll from employers in transportation, communication and utilities was \$62,434,683 compared with manufacturing payroll of \$49,056,018. Total payroll for all industries in 1999 was \$383,738,961.

The third highest payroll of TCU transformed into the highest annual average wage per worker in Douglas County and is the only industry where wages exceed the state average for similar work. The greatest disparity in wages appeared in finance, insurance and real estate. The county has no large corporate offices with professional workers commanding higher salaries. Overall wages in the county were 83 percent of the state annual wage of \$29,609, the second lowest ratio in five years. County increases in wages exceeded the state increase of 3.8 percent from 1998 but lagged the 21.7 percent increase over the five-year period.

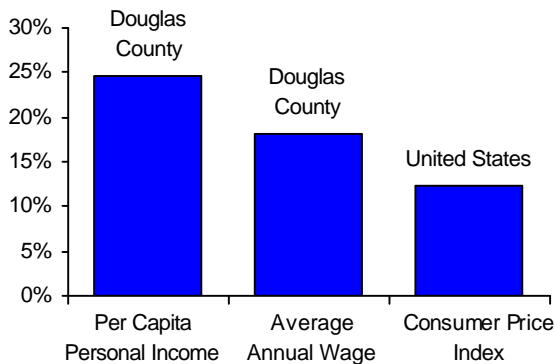
Douglas County Wage and Income Data



The per capita personal income (PCPI) includes total income from wages and self-employment, assets (dividends, interest, rent), and transfer payments (social security, insurance, welfare) divided by total population. In 1999, the PCPI in Douglas County was 79 percent of the state's; and was lower than 42 other Wisconsin counties.

The PCPI in Douglas County, which increased 24.7 percent in the last five years, lagged both national and state five-year growth of 26.4 percent and 26.1 percent, respectively. Annual increases in the PCPI also lagged state increases in four of the last five years.

Comparison of Selected Data: 1994 - 1999



Growth in the county PCPI was better than the increase in annual average wages. One reason was that net earnings from personal income, which includes not only wages of residents (many who work more than one job or out-of-state), but self-employment and proprietor's income, rose 25 percent compared with a 18 percent increase annual wages. Also, the increase in income from assets, which comprise 18 percent of total personal income (TPI) was 38 percent. The share of income from assets has been rising but at 18 percent is still less than the 20 percent share in the state. Transfer payments, which account for 20 percent of TPI rose 14 percent, compared with a 19 percent increase in the state where they comprise 12 percent of TPI.

Per Capita Personal Income

| | | | | | | | Percent Change | |
|----------------|----------|----------|----------|----------|----------|----------|----------------|--------|
| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 1 year | 5 year |
| United States | \$22,581 | \$23,562 | \$24,651 | \$25,874 | \$27,321 | \$28,546 | 4.5% | 26.4% |
| Wisconsin | \$21,699 | \$22,573 | \$23,554 | \$24,791 | \$26,227 | \$27,370 | 4.4% | 26.1% |
| Douglas County | \$17,277 | \$17,894 | \$18,551 | \$19,557 | \$20,743 | \$21,542 | 3.9% | 24.7% |

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Regional Economic Information System.

Selected Occupational Wage Data

| | Mean | Median |
|----------------------------------|----------|----------|
| Accountant | \$ 17.71 | \$ 18.72 |
| Bookkeeper/audit clerk | 10.20 | 10.36 |
| Carpenter | 16.91 | 16.28 |
| Cashier-checker | 6.43 | 6.98 |
| Customer service representative | 8.33 | 10.06 |
| Industrial machinery mechanic | 16.28 | 16.61 |
| Janitor/cleaner | 7.60 | 8.49 |
| Laborer and material mover, hand | 7.28 | 8.21 |
| Maintenance repairer, general | 12.34 | 12.39 |
| Nurse aide | 9.42 | 9.43 |
| Office clerk, general | 9.59 | 10.28 |
| Registered nurse | 22.85 | 24.59 |
| Retail salesperson | 7.41 | 8.57 |
| Secretary | 11.50 | 11.69 |
| Truck driver, heavy and OTR | 11.56 | 12.33 |

Source: DWD, BWI, 1999 OES wage survey for Duluth-Superior MSA

Employers in the Duluth-Superior Metropolitan Statistical Area (MSA) who responded to the Occupational Employment Statistics (OES) survey reported the wages for the selected occupations in this table. In addition to these occupations, wages and employment levels for 317 occupations in the Duluth-Superior MSA are posted on our web site (<http://www.dwd.state.wi.us/lmi>). Employers from all Wisconsin counties participated in the survey and Douglas County responses are also included in a grouping of 'balance-of-state' (BOS) counties.

Wages play a critical role in the economy as both workers and employers try to capitalize their worth. The labor shortage has placed additional pressure on wages and those occupations with a mean (average) and median (mid-point) wage relatively close reflect that. Mean wages include both very low and high wages, but as the labor market tightens employers offering low wages migrate closer to the mid-point.